

# Co-operative Means and Co-operation Ends

## David Griffiths

This paper sets out to briefly examine the demise of the Co-operative Federation of Australia (Co-operatives Australia) and the Co-operative Federation of Victoria Ltd (Co-operatives Victoria) and the emergence of the Business Council of Co-operatives and Mutuals.



In 2013 both the Co-operative Federation of Australia and the Co-operative Federation of Victoria Ltd ceased to function and the Business Council of Co-operatives and Mutuals was established. The BCCM did not, of course, suddenly emerge but had been preceded by years of organising which included the establishment of Social

Enterprise Australia and the IYC 2012 Secretariat with some of the key participants continuing their involvement with the Business Council of Co-operatives and Mutuals. The Co-operative Federation of Victoria Ltd was dissolved in 2017 – after 47 years.

The following table compares key organisational aspects of the Co-operative Federation of Australia, the Co-operative Federation of Victoria Ltd and the Business Council of Co-operatives and Mutuals:

	<b>Co-operative Federation of Australia/Co-operatives Australia</b>	<b>Co-operative Federation of Victoria Ltd/Co-operatives Victoria</b>	<b>Business Council of Co-operatives and Mutuals</b>
<b>Legal Structure</b>	Unincorporated	Co-operative	Company
<b>Eligibility</b>	State Co-operative Federations	Individual co-operatives primarily	State Co-operative Federations, individual co-operatives and mutuals and other co-operative and/or mutual like organisations
<b>Membership</b>	One tier of membership. All members full members.	One tier of membership. All members full members.	Two tier membership – voting full members and non-voting associate members.
<b>Democracy</b>	All members one vote each irrespective of size and turnover.	All members one vote each irrespective of size and turnover.	Full members only have voting rights. Associate members do not have voting rights and are not eligible to

			stand for the board.
<b>Annual Fees/Subscriptions</b>	No Annual Subscriptions.	Annual Subscriptions based on turnover.	Annual Subscriptions based on capacity and/or willingness to pay as a Full or Associate Member. Annual subscriptions not based on turnover.
<b>Delegates</b>	Manager and/or board delegates – often both.	Manager and/or board delegate.	Chief Executive Officers of BCCM members.

Having identified these differences, it would be useful to examine their relationship to the internationally recognised values and principles set out by the International Co-operative Alliance:

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise.

Co-operatives are businesses owned and run by and for their members. Whether the members are the customers, employees or residents they have an equal say in what the business does and a share in the profits.

As businesses driven by values not just profit, co-operatives share internationally agreed principles and act together to build a better world through co-operation.

The International Co-operative Alliance is an independent, non-governmental organisation established in 1895 to unite, represent and serve co-operatives worldwide. The Alliance provides a global voice and forum for knowledge, expertise and co-ordinated action for and about co-operatives.

In 1995, the Alliance adopted the revised Statement on the Co-operative Identity which contains the definition of a co-operative, the values of co-operatives, and the seven co-operative principles as described below.

## Co-operative values

Co-operatives are based on the values of **self-help**, **self-responsibility**, **democracy**, **equality**, **equity** and **solidarity**. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

## Co-operative Principles

The co-operative principles are guidelines by which co-operatives put their values into practice.

## **1. Voluntary and Open Membership**

Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

## **2. Democratic Member Control**

Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organised in a democratic manner.

## **3. Member Economic Participation**

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

## **4. Autonomy and Independence**

Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

## **5. Education, Training and Information**

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

## **6. Co-operation among Co-operatives**

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

## **7. Concern for Community**

Co-operatives work for the sustainable development of their communities through policies approved by their members.

Having considered the values and principles of the International Co-operative Alliance, it would be useful to examine some of these key principles and the policy and practice of the Business Council of Co-operatives and Mutuals. This examination reveals that BCCM appears to undermine and/or contradict five key co-operative principles and this raises a separate but significant issue about the willingness of the International Co-operative Alliance to accept BCCM as a member:

Key Principles	BCCM Policy and Practice
<p><b>1. Voluntary and Open Membership</b></p> <p>Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.</p>	<p>Membership is open and voluntary but is two-tiered and only those who can afford full membership have voting rights. Membership is also open to questionable organisations that ostensibly are co-operatives but are not in fact. Common Equity Housing Ltd in Victoria, for instance, is a registered company. It has a majority of independent directors on its board. The properties are owned by the company. Over 2000 individual co-operatives are members but they do not own and control the properties within each co-operative, their sweat labor has maintained the financial viability of the company and they elect a minority on the board. The individual co-operative are indeed co-operatives but ownership and control has been ceded.</p>
<p><b>2. Democratic Member Control</b></p> <p>Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organised in a democratic manner.</p>	<p>There is no democratic control as only full members have a vote and associate members do not have a vote. It would be specious to argue that associate members could exercise democratic control by becoming full members as capacity to pay determines whether or not to become a full or associate member. Large co-operatives and mutuals can easily afford full membership fees. These fees are, however, beyond the capacity of small co-operatives and without full membership, then, democratic control is only for those members who can afford a full membership annual subscription. Two State Co-operative federations are associate members – NSW and WA. Queensland and SA are not members and went out of existence although BCCM is in the process of establishing a new Co-operatives Victoria – controlled by BCCM. Co-operatives that are members of the NSW and WA Federations have representation through the associate membership of their respective Federations. The membership option, therefore, is discriminatory. The BCCM may argue, of course, that full and associate membership options are consistent with a democratic manner – without being democratic. It is not surprising, then, the BCCM is a registered company – rather than a registered</p>

	<p>co-operative. The outcome, therefore, is no different from the control of a company – the big dogs are in control. It is not the boards and their representatives who are in control but their agents the CEOs. But, then, this should not be surprising given the lived experience of BCCM member Murray Goulburn Co-operative Co Ltd when the board shocked its members in 2016 by demanding that members repay payments already received from the co-operative. The co-operative's actions are subject to a Senate Inquiry and the ACCC has taken Murray Goulburn to the Federal Court. The co-operative has since rescinded its repayment demand but the damage to members and their control of the co-operative is irreversible.</p>
<p><b>3. Member Economic Participation</b></p> <p>Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.</p>	<p>It can be argued that the two tier membership has a relationship to equity because it recognises that there are differing capacities to pay except it is a flat fee two tier and determines whether or not you have a vote and, therefore, whether democratic control is possible irrespective of your annual financial contribution. It is not and, therefore, there is no democratic control of BCCM. Limited compensation based on capital subscribed is consistent with co-operative practice but only full members of BCCM Have a vote to determine financial matters and the activities of the BCCM. The influence of associate members on the BCCM depends on the grace and favour of full members and their relationship with full members in their respective States. In Victoria, for instance, Common Equity Housing Limited never sought membership of the Co-operative Federation of Victoria Ltd (Co-operatives Victoria) but was eager to join BCCM.</p>
<p><b>6. Co-operation among Co-operatives</b></p> <p>Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and</p>	<p>The establishment of the Business Council of Co-operatives and Mutuals was not preceded by meaningful discussions with existing State Federations. State Federations were advised that they could be involved in these discussions if they paid a foundation subscription of \$25, 0000 – a sum beyond the means of most State Federations. This was a precursor to the two-tiered membership of the BCCM. Attempts by Co-operative Victoria Ltd to engage in dialogue about the consequences of a BCCM for State Federations and small co-operatives were rebuffed with written assurances of good intent by the</p>

international structures.	founders of the Business Council of Co-operatives and Mutuals. This has all been documented in the Co-operative Federation of Victoria Ltd's <b>Co-operation Ideal and Practical Each for All and All for Each (2014)</b> .
<b>7. Concern for Community</b>  Co-operatives work for the sustainable development of their communities through policies approved by their members.	The activities that led to the formation of the BCCM either disregarded sustainable development – the impact of the BCCM on State Federations and small co-operatives – or deliberately ignored State Federations and small co-operatives and left the issue to post collateral damage considerations. In 2017, therefore, BCCM with local collaborators has proceeded to create a new Co-operatives Victoria – initially being touted as a chapter of BCCM.

A basic differences between co-operatives and other forms of enterprise is that people are more important than money – allowing large numbers of people are significant decision-making. The BCCM, however, has diluted this unique difference with money determining whether or not you have a vote.

In **A New Look at the Principles and Practices of Co-operatives**, Jerry Voorhis stated: “Here, in co-operatives, has been one place in our great free enterprise economy where real democracy has existed – and has proved practical as a method of control. It would be a mistake to destroy this value. It would also, I am convinced, be dangerous to the future success of co-operatives. It is altogether obvious and realistic economic practices must be followed by co-operatives. ....But it does not follow from these economic policies that control over the government of the cooperative should be given over to the large operators along with their recognized and wholly justified economic advantages.” This was published by The Cooperative League of the USA in 1966. What would Voorhis know about 2017? Well, what Voorhis, did know is the values and principles of co-operatives are enduring and are as relevant in 2017 as they were in 1966 – unless you are a corporate opportunist who uses co-operatives for personal benefit and facilitate changes of definition and practice so that the co-operative name remains but it is no longer capable and willing to meet the needs of members, communities and nations as originally intended. It is now about co-operatives – and not co-operation.

Neither the Co-operative Federation of Australia (Co-operatives Australia) or the Co-operative Federation of Victoria Ltd (Co-operatives Victoria) exist today and, therefore, it could be argued that the analysis may be historically interesting and/or whinging but irrelevant. It could also be argued that the Business Council of Co-operatives and Mutuals is creating a legitimate record of achievements These achievements are real, however, but do need to be considered in context. A BCCM report on co-operative education focussed on universities in Australia and ignored the preceding pioneering work of the UK Co-operative College introduced into Australia by the Co-operative Federation of Victoria Ltd. The BCCM has also been publishing a list of top co-operatives since 2013 without acknowledging the preceding Top 100 List pioneered by Co-operatives Australia. It is said more than once that the history of “wars” is written by the winners.

The following table illustrates how in the last few years up to 2013 both the Co-operative Federation of Australia and the Co-operative Federation of Victoria Ltd made some useful contributions which have been eclipsed by the Business Council of Co-operatives and Mutuals since 2013:

<b>Co-operative Federation of Victoria Ltd (Co-operatives Victoria)</b>	<b>Co-operative Federation of Australia (Co-operatives Australia)</b>	<b>Business Council of Co-operatives and Mutuals</b>
<p>Beyond 2012 Workshop, 27 September 2012 with 24 participants.</p> <p>Co-operatives National Law Workshop with Jenni Matilla, 19 November 2012 with 33 participants.</p> <p>Eight Co-operation in Practice short films with Co-operative College CEO and Principal Mervyn Wilson – Values, Principles, education, Governance, Social Enterprise, International, Directors and Members, 2012</p> <p>Publication of Co-operative Start Up Manual and establishment of Co-operative Start-Up Manual web site.</p> <p>Introduction of UK Co-operative College to Australia</p> <p>Sponsorship of visits to Australia of UK Co-operative College CEO and Principal Mervyn Wilson.</p>	<p>Top Co-operatives, Mutuals and Credit Unions – issued in 2009, 2010, 2011 and 2012</p> <p>Co-operation Statements on: Public Policy and Co-operatives, 2009 Co-operative Education, 2010 Valuing Co-operation, 2010 International Year of Co-operatives 2012, 2012</p> <p>Publication of these statements in: Griffiths, David (Ed.) Co-operators – Co-operation and Co-operatives, SouthEast Housing Co-operative Ltd, 2012</p>	<p>National Mutual Economy Report – issued in 2014, 2015 and 2016</p> <p>Annual Leaders Summit and Industry Dinner Biannual CME Chairs Forum</p> <p>White paper on Public Service Mutuals, 2014</p> <p>Sticky Money, 2014</p> <p>Blueprint for an Enterprising Nation, 2014</p> <p>Over 36 submissions to various inquiries.</p> <p>Graduate Level CME online course University of Sydney, University of Western Australia and Australian Institute of Management WA</p>

Money means resources and resources means capacity and significant funding from large mutuals and co-operatives has underpinned the activities of the Business Council of Co-operatives and Mutuals - helped by CEOs who control their own co-operative and/or mutual resources.



Of course, “winners” can change and it is not beyond possibility that BCCM will democratise or, at least claim to democratise. But this will critically depend on its relationship with State Co-operative Federations and small co-operatives and whether BCCM adopts a co-operation rather than a co-operative perspective and whether the big dogs accept the need for little dogs to have a more significant role.

The significance of the international values and principles of co-operation and the importance of being seen to and actually practice the values and principles should never be underestimated. If there is a disconnect between the values and principles and practice, then, this undermines co-operation.

*In an address to representatives of the Confederation of Italian Co-operatives, Paul VI Audience Hall. Saturday, 28 February 2015 Pope Francis advised:*

For this reason I tell you that you are doing well — and I also tell you to always do more of it — to counter and combat the false cooperatives, those which prostitute the very name of cooperatives, namely of a truly good organization, in order to deceive people with aims of profits contrary to those of true and authentic cooperation. Do well, I tell you, because, in the field you operate in, to take on an honourable façade but to instead pursue dishonourable and immoral aims, often directed at exploiting labour, or at manipulating the market, and even at scandalous and corrupt trafficking, is a shameful and extremely serious lie that is absolutely unacceptable. Fight against this! How do you fight? With words alone? With ideas? You fight with fair and true cooperation, the kind which always prevails.

The full address is attached.

Subsequently, on 2 March 2015 the Vatican Information Service reported an address by Pope Francis which included this observation:

“Therefore, I say that you do well to oppose and combat false cooperatives, and to continue to do so; they prostitute the name of cooperative, a very positive thing, to deceive people in the interests of profit, contrary to those of a true and authentic cooperative. ... In the field in which you are active, to display an honourable facade while instead pursuing dishonourable and immoral objectives, often associated with the exploitation of labour or the manipulation of the market, or even a scandalous traffic in corruption, is a shameful and serious falsehood. The cooperative economy ... if it seeks to fulfil a strong social function, if it wishes to be an agent of the future for a nation and for each local community, must pursue clear and transparent aims. It must promote an economy of honesty, a healing economy in the treacherous sea of the global economy. A real economy promoted by people who have at heart and in their minds only the common good”.

The full address is also attached.

May 2017

**David Griffiths was Secretary both of the Co-operative Federation of Australia (Co-operatives Australia) and the Co-operative Federation of Victoria (Co-operatives Victoria). He is a “loser” in the “co-operative war.”**



**ADDRESS OF HIS HOLINESS POPE FRANCIS  
TO REPRESENTATIVES OF THE CONFEDERATION OF ITALIAN  
COOPERATIVES**

*Paul VI Audience Hall  
Saturday, 28 February 2015*

**[[Multimedia](#)]**

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*Brothers and Sisters, Good morning,*

This last one [referring to the choir] was the most melodic “cooperative”! My compliments!

I appreciate this encounter with you and with the organization you represent, that of cooperation. Cooperatives challenge everything, even mathematics, because in a cooperative one plus one makes three! And in a cooperative, a failure is half a failure. This is the beauty of cooperatives!

You are first of all the living memory of a great treasure of the Church in Italy. Indeed, we know that at the origins of the Italian cooperative movement are many farming and credit cooperatives which, by the 19th century, had been wisely established and promoted by priests and pastors. To this day, in various Italian dioceses, cooperation is still employed as an effective remedy to the problem of unemployment and to the various forms of social disadvantage. It is routine today, I do not say normal, customary.... but too often one sees: “Are you looking for work? Come, come to this company”. Eleven hours, 10 hours of work, 600 Euros. “Do you like it? No? Go home”. What is to be done in a world that functions like this? Because there is a line, a file of people looking for work: if you do not like it, the next one will. It is hunger, hunger makes us accept what they give us, working under the table.... To give an example, I could ask about domestic service: how many men and women who work in domestic service have a retirement pension?

All this is very well known. The Church has always recognized, appreciated and encouraged cooperatives. We read it in the Magisterium documents. We remember the appeal launched in 1891 by Pope Leo XIII in [Rerum Novarum](#): “*All proprietors and not all proletariat*”. And there are certainly the well-known pages of the Encyclical [Caritas in Veritate](#), in which Benedict XVI expresses his opinion in favour of credit unions and consumer cooperatives (cf. nn. 65-66), highlighting the importance of the economy of communion and of non-profit sector (cf. n. 41), in order to affirm that the god-of-profit is by no means a divinity but only a compass and measuring stick for the appraisal of entrepreneurial activity. Pope Benedict also explained that our world needs an economy of giving (cf. nn. 34-39), meaning an economy capable of giving life to businesses inspired by the principle of solidarity and capable of “creating sociality”. In order to accomplish this, as Leo XIII exclaimed, in blessing the beginnings of the Italian Catholic cooperative movement: *Christianity has marvellous strength* (cf. Encyclical [Rerum Novarum](#), n. 15); this exclamation, therefore, resounds through you.

These and many other affirmations of recognition and encouragement addressed to co-operators on behalf of the Church are valid and timely. I also think of the extraordinary social teachings of Blessed Paul VI. We are able to confirm and consolidate these statements. Thus it is not necessary to repeat or restate them in full.

Today, I would like our dialogue to look not only at the past but above all to be directed *forward: to new perspectives, to new responsibilities, to new forms of initiatives of cooperative enterprises*. It is a true mission which asks us for creative imagination in order to find forms, methods, attitudes and instruments, to combat the “throw-away culture”, that we are living in today, the “throw-away culture” cultivated by the powers which uphold the economic and financial policies of the globalized world, at the centre of which is the god of money.

Today globalizing solidarity — this must be globalized, solidarity! — means thinking about the spiraling increase of unemployed people, of the unending tears of the poor, of the need to resume development that is both a true, integral progress of the person who certainly needs income, but not only income! Let us think of health needs, which traditional welfare systems no longer manage to satisfy; of the urgent need of solidarity, placing once again the dignity of the human being at the centre of the economy, as you have said. As Pope Leo XIII would still say today: *Christianity has marvellous strength to globalize solidarity!*

Therefore, do not stop to look only at what you have been able to achieve. Continue to refine, to strengthen and to update the good and solid businesses that you have already built. However, also have the courage to move outside of them, charged with experience and good methods, to carry cooperation to the new frontiers of change, to the existential peripheries where hope needs to emerge and where, unfortunately, the current socio-political system instead seems fatally destined to suffocate hope, to steal hope, increasing risks and threats.

This great leap forward which we propose the cooperatives take, will give you the confirmation that all that you have already done is not only positive and vital, but *also continues to be prophetic*. For this reason you must continue to invent — this is the word: invent — new forms of cooperation, because the maxim, “when a tree has new branches, the roots are deep and the trunk is strong”, also applies to cooperatives.

Here, today, you represent valuable experience in many sectors: from agricultural development to the promotion of building new homes for the homeless, from social cooperatives to credit unions, here broadly represented, from fishing to industry, to business, to communities, to consumption, to distribution and many other types of service. I am well aware that this list is incomplete, but it is rather useful in order to understand how precious the cooperative method is, which must go forward, creative. It has revealed itself in the face of many challenges. And it still will! However, all appreciation and all encouragement instead risks being generic. I want to offer you *some practical encouragement* instead.

*The first is this: cooperatives must continue to be the motor that lifts and develops the weakest part of your local community and of civil society.* Sentiment is not capable of this. Thus it is necessary to give first priority to the foundation of new cooperative enterprises, along with the further development of those in existence, especially in order to create new employment opportunities, which are lacking today.

My thoughts go first and foremost to *young people*, because we know that the dramatically high unemployment among the young — let us consider, in several European countries, 40, 50 percent — destroys hope in them. But let us also consider the many *women* who have the need and the will to enter the world of work. Let us not overlook the *adults* who are often prematurely out of work. “What are you?” — “I’m an engineer” — “Ah, how nice, how nice. How old are you?” — “49” — “You aren’t needed, go on”. This happens every day. In addition to new businesses, let us also look at the companies that are in difficulty, those for whose elderly owners it is more convenient to let the business die, which can instead be revived with the initiatives that you call “workers buyouts”, in my language “*empresas recuperadas*”, saved companies. And, as I said to their representatives, I am a fan of *empresas recuperadas*!

*A second point of encouragement*— not in order of importance — is to become active as *leaders in creating new welfare solutions*, particularly in the field of healthcare, a delicate field where so many poor people do not find adequate responses to their needs. I know what you have been doing for years with heart and with passion, in the peripheries of the cities and of our society, for families, children, the elderly, the sick and people disadvantaged and in difficulty for various reasons, bring heart and aid into their homes. *Charity is a gift! It is not a simple gesture to calm the heart, it is a gift!* When I do charity, I give myself! If I am not capable of giving myself, that is not charity. It is a gift without which one cannot enter the home of one who suffers. In the language of the social doctrine of the Church this means building on *subsidiarity* with strength and consistency: it means joining forces! How beautiful it would be if, starting in Rome, an effective network of assistance and solidarity could be created among the cooperatives, for parishes and hospitals, I am thinking of “Bambin Gesù” in particular. And the people, starting from the most needy, would be placed at the centre of all this solidary movement: the people at the centre, the neediest at the centre. This is the mission we are proposing to ourselves! It is your task to invent practical solutions, to make this network function in the actual situations of your local communities, starting from your history, with your wealth of knowledge in order to carry out this endeavour and at the same time *not to forget that the person is at the centre of it all*.

You have done so much, and there is still so much to do! Let us forge ahead!

*The third point of encouragement is in regard to the economy*, its relationship to *social justice*, to the *dignity and value of people*. It is well known that a certain liberalism believes it is necessary to first produce wealth, no matter how, to then promote some policy of redistribution by the State. First fill your glass and then give to others. Others think it is the entity itself that should lavish the crumbs of accumulated wealth, thereby absolving itself of so-called “social responsibility”. One risks being deceived by doing good while, unfortunately, continuing to only market, without going outside of that fatal circuit of the selfishness of people and of companies which have the god of money at the centre.

Instead we know that establishing a new quality of economy will enable people to grow to their full potential. For example: a member of the cooperative must not be only a supplier, a worker, a well-treated user; he must always be a protagonist, he must grow, through the cooperative, grow personally, socially and professionally, in responsibility, in actualizing hope, in working together. I am not saying that one’s income need not increase, but that is not enough: *it is important that the business managed by the cooperative truly grow in a cooperative way, that is by involving everyone*. One plus one makes three! This is the logic.

In Latin etymology, “*cooperari*” means to operate together, to cooperate, and therefore to work, help, contribute to achieve an end. *Never be satisfied with the word “cooperative” without having knowledge of the true substance and spirit of cooperation.*

*The fourth suggestion is this:* if we look around us it never happens that the economy is renewed in a society that is aging than than growing. The cooperative movement can play an important role in *sustaining, facilitating and also encouraging the life of families*. Realizing conciliation, or better perhaps, *harmonization between work and family*, is a task you have already begun and which you must increasingly achieve. Doing this also means helping women fully develop themselves within their vocation and bring their own talents to fruition. Women free to be leaders, both in business and in the family! I know well that cooperatives already offer so many services and so many organizational formulae, akin to national health services, to meet the needs of everyone, of children and the elderly in particular, from day-care centres to home care. *This is our way to manage the common goods, those goods that must not be the property of only the few and must not seek speculative purposes.*

*The fifth point of encouragement may perhaps surprise you!* It takes money to do all these things! Cooperatives in general are not established by large capitalists, but rather it is often said that they are structurally undercapitalized. Instead, the Pope tells you: *you must invest, and you must invest well!* In Italy of course, but not only, it is difficult to obtain public funds to compensate for a shortage of resources. This is the solution I propose to you: *bring good means together with determination in order to accomplish good works*. Collaborate more among cooperative banks and businesses; organize resources to enable families to live with dignity and serenity; pay fair wages to workers, investing above all in initiatives that are truly necessary.

It is not easy to speak about money. It was said by Basil of Caesarea, a Church Father of the fourth century, and then taken up by St Francis of Assisi, that “*money is the devil’s dung*”! Now the Pope also repeats it: “*Money is the devil’s dung*”! When money becomes an idol, it commands the choices of man. And then it destroys man and condemns him. It renders him a servant. Money at the service of life can be managed in a just way by a cooperative, if however, it is an authentic, true cooperative, *where capital is not in command over men but men over capital.*

For this reason I tell you that you are doing well — and I also tell you to always do more of it — to counter and combat the false cooperatives, those which prostitute the very name of cooperatives, namely of a truly good organization, in order to deceive people with aims of profits contrary to those of true and authentic cooperation. Do well, I tell you, because, in the field you operate in, to take on an honourable façade but to instead pursue dishonourable and immoral aims, often directed at exploiting labour, or at manipulating the market, and even at scandalous and corrupt trafficking, is a shameful and extremely serious lie that is absolutely unacceptable. Fight against this! How do you fight? With words alone? With ideas? You fight with fair and true cooperation, the kind which always prevails.

The cooperative economy, if it is authentic, if it wants to play a powerful social function, if it wants to be a protagonist of the future of a nation and of each local community, must pursue transparent and clear aims. *The economy of honesty must be fostered!* A healing economy in the insidious sea of the global economy. A true economy supported by people who have only the *common good* in their heart and mind.

Cooperatives have a strong international tradition. In this too you have been true pioneers. Your international associations were formed well in advance of those which other businesses created in much later times. Now there is the new, great globalization, which is reducing some inequalities but creating many others. The cooperative movement, therefore, cannot remain unrelated to economic and social globalization whose effects reach every country and even into our homes.

But do cooperatives participate in globalization like other businesses? Is there *an original way* which allows cooperatives to face the new challenges of the global market? How can cooperatives participate in the development of cooperation safeguarding the principles of solidarity and justice? I say this to you in order to say it to all the world's cooperatives: *cooperatives cannot stay locked up at home, but neither can they leave home as if they are not cooperatives*. This is the twofold principle: they cannot stay locked up at home but neither can they leave home as if they are not cooperatives. No, we cannot consider a cooperative as double-sided. We must have courage and imagination to build the right road to integrate, in the world, development, justice and peace.

Last, do not allow *the cooperative movement's cooperation with your parishes and your dioceses* to live only in your memory. The forms of cooperation need to be different from the original forms, but the journey must always be the same! Where there are old and new existential peripheries, where people are underprivileged, where people are alone and discarded, where people are disrespected, extend a hand to them! Cooperate together, in accordance with each one's vocational identity, holding hands!

I know you have been collaborating for several years with other cooperative-type associations — even though not tied to our history and our traditions — to create an Alliance of Italian cooperatives and partners. For now it is an evolving Alliance, but you hope to arrive at a single Association, an ever expanding Alliance between partners and cooperatives. The Italian cooperative movement has a long tradition compared to that of international cooperatives in the world. The cooperative mission in Italy from its very beginnings has been strongly tied to the identities, values and social powers present in the country. Please, respect this identity! However, often the choices which separate and divide have long been stronger than the choices which instead bring together and unite everyone's efforts. Now you believe you are able to give priority instead to what unites you. And precisely around what unites you, which is the deepest, most authentic, most vital part of the Italian cooperatives, you wish to build your new associative form.

You do well to plan like this, and like this you are taking a step forward! Of course, there are Catholic cooperatives and non-Catholic cooperatives. But is faith saved if we remain closed? I ask: is faith saved if we remain closed? Remaining only among ourselves? Experience your Alliance as Christians, as a fearless response to your faith and to your identity! Faith and identity are the foundation. Go forth, therefore, and walk together with all people of good will! This is also a Christian call, a Christian call to all. Christian values are not only for us, they are for sharing! For sharing with others, with those who do not think as we do but who want the same things that we want. Go forth, have courage! Onward, be creators, “poets”!

Source: [http://w2.vatican.va/content/francesco/en/speeches/2015/february/documents/papa-francesco\\_20150228\\_confcooperative.html](http://w2.vatican.va/content/francesco/en/speeches/2015/february/documents/papa-francesco_20150228_confcooperative.html)



# Monday, March 2, 2015

## The Pope to cooperatives: promote the economy of honesty

Vatican City, 28 February 2015 (VIS) - “The Church has always acknowledged, appreciated and encouraged the cooperative experience”, Pope Francis affirmed this morning, greeting more than seven thousand members of the Confederation of Italian Cooperatives who group together a number of different sectors, from agriculture to construction, including fishing and the distribution of consumer goods.

In this regard, Francis referred to various documents of the Magisterium, such as the encyclicals “Rerum Novarum”, with Leo XIII's appeal for a society in which “All [are] owners, not all proletarians”, and “Caritas in Veritate”, in which Benedict XVI underlines the importance of the economy of communion and the non-profit sector, and the “extraordinary social teaching of Blessed Paul VI”. He went on to urge the members of the Confederation to look not only to the past, but also to the future: “It is a real mission that requires creative imagination to find forms, methods, attitudes and tools to combat the throwaway culture cultivated by the powers that support the economic and financial policies of the globalised world”.

“Globalising solidarity, today, means thinking about the vertiginous increase in unemployment, the incessant tears of the poor, the need to reinstate a development that involves a genuine and full progress of the person, who is certainly in need of income, but not this alone. Let us think about healthcare needs, that the traditional welfare systems are no longer able to satisfy; the pressing needs of solidarity, to place human dignity once more at the centre of the world economy”.

Pope Francis suggested a series of concrete suggestions to help achieve this mission. The first was that cooperatives should “continue to be the motor for lifting up and developing the weakest part of our local communities and of civil society”. This involves “giving first place to the foundation of new cooperative enterprises, along with the further development of those already in existence, so as to create, above all, new work opportunities that currently do not exist ... especially for the young, as we know that youth unemployment ... destroys their hope”, but also for the “many women who need and wish to enter the world of work. We must not neglect the adults who often find themselves prematurely without work. Aside from new enterprises, let us look also to the companies in difficulty, those that the old owners leave to die, which could instead be revived through 'workers' buy out' initiatives.

Becoming active agents of new welfare solutions was his second suggestion, addressed above all to the healthcare sector, “a delicate field where many poor people no longer find their needs to be adequately met”. The answer may be found in applying subsidiarity, “with strength and coherence”, creating an effective network of assistance and solidarity between cooperatives, parishes and hospitals.

The third suggestion relates to the relationship between the economy and social justice, dignity and the value of the person. “It is well known that a certain liberalism believes it is necessary first and foremost to produce wealth, and that it is not important how, before promoting any form of redistributive policy”, explained the Pope. “Others think that it is the


same enterprise that must donate the crumbs of accumulated wealth, thus absolving it of its so-called 'social responsibility'". However, we know in achieving a new quality of the economy, it is possible to enable people to grow in all their potential. A member of a cooperative must not be merely ... a worker ... but must instead always be a protagonist, and must grow, through the cooperative, as a person, socially and professionally, in responsibility ... an enterprise managed by a cooperative must grow in a truly cooperative way, involving all".

"If we look around us, we see that the economy is never renovated in an ageing society, instead of one that grows", he continued, presenting his fourth suggestion: strengthening the harmonisation between work and family within the cooperative movement. "Doing this also means helping women to fully achieve their vocation and to put their talents to use" through initiatives that meet the needs of all, from nurseries to domestic care.

"The fifth suggestion may be surprising. Doing all these things takes money! Cooperatives are not generally founded by great capitalists. ... The Pope instead says to you: you must invest, and you must invest well! In Italy certainly, but not only, it is difficult to obtain public funding to compensate for the scarcity of resources. The solution I propose to you is this: unite with determination the right means for carrying out good works. Collaborate more with cooperative banks and businesses, organise resources to allow families to live with dignity and serenity, and pay fair salaries to your workers. ... Money, placed at the service of life, can be managed in the right way by the cooperative, if however it is an authentic and true cooperative, where capital does not rule over people, but people over capital".

"Therefore, I say that you do well to oppose and combat false cooperatives, and to continue to do so; they prostitute the name of cooperative, a very positive thing, to deceive people in the interests of profit, contrary to those of a true and authentic cooperative. ... In the field in which you are active, to display an honourable facade while instead pursuing dishonourable and immoral objectives, often associated with the exploitation of labour or the manipulation of the market, or even a scandalous traffic in corruption, is a shameful and serious falsehood. The cooperative economy ... if it seeks to fulfil a strong social function, if it wishes to be an agent of the future for a nation and for each local community, must pursue clear and transparent aims. It must promote an economy of honesty, a healing economy in the treacherous sea of the global economy. A real economy promoted by people who have at heart and in their minds only the common good".

The final part of the Pope's address was dedicated to cooperation at the international level. "Extend your hand to the old and new existential peripheries, where there are disadvantaged people, where there are people who are alone and discarded, where there are people who do not receive respect. ... It is necessary to have the courage and imagination to build the right road to integrate development, justice and peace throughout the world", he concluded.

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